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OFFICE OF PETITIONS

In re Patent No. 6,342,127
Issue Date: January 29, 2002
Application No. 08/940,203
Filed: September 29, 1997

: ON PETITION

This is a decision on the petition under 37 CFR 1.378(e), filed February 13, 2012.

The petition under 37 CFR 1.378(e) is **DISMISSED**.

BACKGROUND

The patent issued January 29, 2002. The 3.5 year maintenance fee could have been paid from January 29, 2005 through July 29, 2005 without a surcharge, or with a surcharge during the period from July 30, 2005 through January 29, 2006. Accordingly, the patent expired on January 30, 2006 for failure to timely submit the first maintenance fee. Furthermore, petitioner has not submitted the second maintenance fee. The second maintenance fee was due on January 29, 2010.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed November 22, 2011. A decision dismissing the petition under 37 CFR 1.378(b) was mailed December 9, 2011 and is hereby incorporated by reference.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

In accordance with 35 USC 41(c)(1), “[t]he Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.”

In accordance with 37 CFR 1.378(b), “[a]ny petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include: (1) The required maintenance fee set forth in § 1.20 (e) through (g); (2) The surcharge set forth in § 1.20(i)(1); and (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that

the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.”

In accordance with 37 CFR 1.378(e), “[r]econsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.”

LEGAL STANDARD

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been “unavoidable.” See, 35 U.S.C. 41(c)(1). Moreover, a late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, i.e., “unavoidable” delay. See, Ray v. Lehman, 55 F3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable. See, Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887)(the term “unavoidable” “is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business”; In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912), Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913). Further, decisions on revival are made on a “case-by-case basis, taking all the fact and circumstances into account.” See, Smith v. Mossinghoff, 671 F.2d 533, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petition has failed to meet his or her burden of establishing the cause of the unavoidable delay. See, Haines v. Quigg, 673 F.Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F3d at 608-609, 34 USPQ2D at 1787. It is incumbent upon the patent owner to implement steps to schedule and pay the fee, or obligate another to do so. See California Medical Products v. Technol. Med. Prod., 921 F.Supp 1219, 1259 (D. Del. 1995). That is, 37 CFR 1.378(b)(3) requires a showing of the steps in place to pay the maintenance fee,

and the record currently lacks a sufficient showing that any steps were emplaced by petitioner or anyone else. In the absence of a showing that patentee or anyone else was engaged in tracking the maintenance fee due dates, and that party had in fact been tracking the due dates with a reliable tracking system, such as would be used by prudent and careful men in relation to their most important business, petitioner cannot reasonably show that the delay was unavoidable delay. In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm'r Pat. 1988); California, supra.

In essence, patentee must show that he was aware of the need to pay the maintenance fee, and to that end was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment from the time the payment was due until the filing of a grantable petition.

Further, the Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of an applicant, and an applicant is bound by the consequences of those actions or inactions. See, Link v. Wabash, 370 U.S. 626, 633-634 (1962). Hence, the delay caused by the mistakes or negligence of patentee's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133. See, Haines v. Quig, 673 F. Supp. 314, 316-317, 5 USPQ2d at 1131-32; Smith v. Diamond, 209 USPQ 1091 (DDC 1982); Potter v. Dann, 201 USPQ 574 (DDC 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 103, 131 (Comm'r Pat. 1891). Moreover, the actions of the attorney are imputed to the client, for when a client voluntarily chooses an attorney to represent him, the client cannot later avoid the repercussions of the actions or inactions of this selected representative, for clients are bound by the acts of their lawyers/agents, and constructively possess "notice of all facts, notice of which can be charged upon the attorney." See, Link, at 633-634. The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to the party and the party is bound by the consequences. See, Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed. Cir. 1992); Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

Moreover, the lack of communication between attorney and client is immaterial in the absence of a showing that (1) the lack of communication could not be avoided and (2) failure to timely pay the maintenance fee was not due to a lack of any steps in place to pay the fee. A failure in communication is not considered to be unavoidable delay. See, In re Kim, 12 USPQ 2d 1595, (Comm. Pat. 1988).

PETITIONER'S ARGUMENT

Petitioner asserts that patentee relied on his former patent attorney, John Halvonik, to keep him abreast of the scheduling of maintenance fees for the patent. Petitioner further asserts that "Mr. Halvonik's registration was suspended in 2005, and from 11/06 to the present." Petitioner asserts that patentee was not aware that Mr. Halvonik's registration was suspended and that patentee did not receive correspondence from the PTO.

Petitioner further asserts that patentee did not receive notice regarding the "issue fee" from Mr. Halvonik and that patentee became aware that the patent had expired in late September of 2011.

Petitioner asserts that patentee contacted Mr. Halvonik whereupon Mr. Halvonik informed patentee of his suspension and told patentee that the instant patent had expired.

Petitioner asserts that patentee had engaged Mr. Halvonik to track the fee which establishes that patentee was aware of the need to pay the fee. Petitioner further asserts that Mr. Halvonik was unavoidably prevented from making the maintenance fee payment due to Mr. Halvonik's suspension. Petitioner states that Mr. Halvonik was not practicing law at the time that the maintenance fee payment was due and did not contact patentee.

Petitioner asserts that “[w]hether or not Mr. Halvonik had procedures in place to track the fee is not known, but Mr. Possidente reasonably relied upon Mr. Halvonik to have such procedures. It is not, obviously, incumbent upon patentee to personally visit his attorney's office to determine what procedures were in place, nor would he be qualified to determine if such procedures would be adequate.”

Petitioner notes instances where the UPSTO has reinstated expired patents and states that “it is well established that there are circumstances where the action or non-action of a patentee's representative has resulted in a patentee meeting the unavoidable standard.”

The petition acknowledges that patentee does not have any documentary evidence of a contractual arrangement between patentee and Mr. Halvonik. Petitioner further asserts that patentee was “ensured by Mr. Halvonik that the fees would be monitored.”

With respect to establishing a nexus between the suspension of the attorney and the expiration of the patent, petitioner asserts that Mr. Halvonik was “suspended for part of 2005 when he should have been informing Petitioner that the fees were due.” Petitioner asserts that it is unclear whether or not Mr. Halvonik maintained client contact during this time and that Mr. Halvonik never sent any notification to patentee during this period “perhaps because he was either unclear about his duties or actually suspended for the entire period of time when a notice to petitioner might have been sent.”

Petitioner asserts that Mr. Halvonik was suspended for at least a part of the period when he could have informed patentee that the maintenance fee was due, when the patent had expired, and also during the two year period when “patentee could have simply paid the fee no questions asked, this option being available until 1/29/2008.” Petitioner further argues that patentee was denied the option of paying the fee under the unintentional standard because of Mr. Halvonik's suspension.

OPINION

Patentee is ultimately responsible for ensuring that a maintenance fee will be timely paid. Patentee has failed to establish that either patentee or Mr. Halvonik had in place a system that would monitor the maintenance fee due dates for the instant patent. Petitioner, however, attributes patentee's failure to timely remit the 3 1/2 year maintenance fee to the suspension of Mr. Halvonik. Petitioner, however, cannot establish that, but for the disciplinary actions involving Mr. Halvonik, the maintenance fee would have been paid. Even assuming that the act or

omission of Mr. Halvonik contributed to the delay complained of, said act or omission of Mr. Halvonik is imputed wholly to patentee in the absence of evidence that Mr. Halvonik acted to deceive patentee. Hence, absent any documentary evidence of a system in place by patentee or patentee's voluntarily chosen representative, it cannot be found that patentee was unavoidably delayed in making the maintenance fee payment. Furthermore, petitioner has not shown diligence in the matter of payment of the maintenance fee or in the supervision of his voluntarily chosen representative Mr. Halvonik. See, In re Lonardo, 17 USPQ2d 1455 (Comm'r Pat. 1990).

A reasonable and prudent person would implement a reliable and trustworthy tracking system to keep abreast of maintenance fee due dates. Petitioner provides no documentary evidence of such a system. It is well established that a finding of unavoidable delay is precluded unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. See, Ray v. Lehman, 55 F.3d 606, 609; 34 USPQ2d (BNA) 1786 (Fed.Cir. 1995).

With regard to the lack of correspondence from the USPTO to patentee, petitioner is reminded that while the USPTO does at times mail courtesy Maintenance Fee Due Notices, the USPTO has no legal obligation to notify a patentee that a maintenance fee is due. Further, failure to receive such notice from the USPTO is not deemed "unavoidable" within the meaning of 35 USC 41 and 37 CFR 1.378(b). See, Rydeen v. Quigg, 748 F. Supp. 900, 907 (1990).

It is noted that petitioner has referenced prior patents that have been reinstated under the "unavoidable" standard. Petitioner is reminded that "unavoidable delay" is considered on a case-by-case basis. See, Smith v. Mossinghoff, supra. The arguments presented herein have been carefully reviewed, but do not rise to the level of "unavoidable delay."

Ultimately patentee bears the responsibility for timely remittance of the maintenance fee. The petition fails to establish that patentee was unavoidably delayed in making the payment from the time that the maintenance fee was due until the filing of a grantable petition. Accordingly, the Office is precluded from accepting the maintenance fee and surcharge. If reconsideration of this decision is not desired, petitioner may request a refund of this fee by writing to the Finance Office, Refund Section. A copy of this decision should accompany any request for refund.

Petitioner must establish that patentee was aware of the need to pay the maintenance fee, and was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment due until the filing of a grantable petition. Petitioner must establish a nexus between the events complained of and the failure to timely remit the maintenance fee.

Any renewed petition must establish that the entire period of delay from the time that the maintenance fee was due until the time of the filing of a grantable petition has been unavoidable. Petitioner is reminded that any renewed petition should entail an exhaustive effort to establish that the failure to timely pay the maintenance fee was unavoidable as after reconsideration pursuant to 37 CFR 1.378(e), no further reconsideration regarding unavoidable delay will be undertaken.

No additional fee is required for reconsideration of any request for reconsideration save the second maintenance fee. Submission of the second maintenance fee does not guarantee that the petition will be granted; however, failure to submit the second maintenance fee will result in any renewed petition being dismissed without consideration.

Further correspondence with respect to this matter should be addressed as follows:

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